Volume 4, Issue 23      Atari Online News, Etc.      June 7, 2002

Atari Online News, Etc.
A-ONE Online Magazine
Dana P. Jacobson, Publisher/Managing Editor
Joseph Mirando, Managing Editor
Rob Mahlert, Associate Editor


Atari Online News, Etc. Staff

Dana P. Jacobson  --  Editor
Joe Mirando  --  "People Are Talking"
Michael Burkley  --  "Unabashed Atariophile"
Albert Dayes  --  "CC: Classic Chips"
Rob Mahlert  --  Web site
Thomas J. Andrews  --  "Keeper of the Flame"



With Contributions by:

Dan Iacovelli

=~=~=~=



A-ONE #0423                                    06/07/02

~ AOL's IM Pie Dwindling ~ People Are Talking!    ~ 50 Million Gamecubes?

```
      ~ Mozilla 1.0 Released!  ~ FBI Wants More Powers! ~ JagFest 2K2 News!
      ~ eBay's Anti-fraud Plan ~ Hotmail Users Pay More ~ MacOffice Polished!
      ~ Xbox Ad Offends Brits! ~ Will Xbox Live Save It ~ Why Stay With AOL?

                       -* Napster Files For Bankruptcy *-
                     -* Feds Seek Better Microsoft Security *-
                   -* Red Hat Accuses Sun of Microsoft Tactics!  *-



                                 =~=~=~=
```

```
->From the Editor's Keyboard              "Saying it like it is!"
  """"""""""""""""""""""""""""
```

I thought that I was losing my mind!  Okay, so that's not necessarily
something new.  This is June, isn't it?  Where's the sun?  This is March and
April weather we're having.  A check of the calendar proves it's June, but
you could have fooled me (and almost did!).

I have managed to get most of my Spring rituals out of the way, dodging the
raindrops.  Still a little more to do, Mother Nature notwithstanding.
Hopefully I can get the rest completed before my vacation in a couple of
weeks.

Not much going on lately, otherwise.  Budget crunch time at work; that's
always a real joy!  No more "problem children" at work, thankfully.  Just
the same old stuff, just more of it and growing.  We're all facing that
these days, I guess.

In the realm of "what in the world could they be thinking?" news, I saw a
humorous news story on television earlier in the week.  It was a story on a
study done with a few businesses.  The research was to determine if
employees would be more productive if allowed to sleep on the job for an
hour a day.  I can just see it now - Boss comes up to employee.  Er, Smith,
please finish that report and get it to me quickly.  Smith replies, Sorry
sir, it's my nap time!  Are these people for real?  I won't even try to
dispute whether or not the findings are accurate, or worthwhile for the
employee.  Are you going to pay your employees to sleep on the job?
Whatever happened to getting a good night's sleep?  Eat a good breakfast?
Do whatever it takes on your own time!  And this is from me, someone who
really enjoys to sleep!  I just thought it was a funny story.  And what's
more funny is that I'd bet that there will be people who buy into this idea
and implement it!  I'd write more about this topic but it's time for my nap!

Until next time...

```
                                 =~=~=~=
```

```
                            PEOPLE ARE TALKING
                           compiled by Joe Mirando
                            joe@atarinews.org
```

Hidi ho friends and neighbors. First of all, I'd like to thank those of you who wrote to ask me about my back problem last week. I appreciate the kind thoughts.

It was nothing serious, just a pulled muscle that resulted in muscle spasms for a day or so. Of course, it WOULD have to happen on the day that I normally write this column, right?

I'm back to normal now, and the extra bed rest I've needed to get me that way gave me some time to think.

Now anyone who knows me knows that I like to let my mind wander and sort of find its own path.

Recognizing that my laptop computer was showing its age (it's all of three years old now), I bought a new one so there wouldn't be any gap if it decided to stop working. After looking at a lot of makes and models, I settled on an Apple PowerBook. I've got to tell ya, this is one slick machine. I don't care for OS X, but I can live with it.

After a day or so of getting accustomed to the PowerBook, a though hit me... If Atari was still making computers, I'd like to think that THIS is the machine they would have come up with.

Of course, several pipe dreams developed from that one thought. So I really had no choice but to download NoSTalgia and play around with it. I really haven't done much with it, but it looks promising.

Well, let's get to the news and STuff from the UseNet.


From the comp.sys.atari.st NewsGroup
===================================


Since I just entered the world of Mac software, this caught my eye. Keith Brooks asks:

"What's the latest with MagiCMac - does it run on OS X or still only pre OS9?"


Robert Schaffner tells Keith:

"http://www.application-systems.de/magicmacx/
Make you own picture."


Keith tells Robert:

"Well it comes up fast from the demo program but nothing runs from my old applications. Of course I could be missing something because I don't read German. Tried IMGCOPY.PRG and got error messages with a 68000 exception of some sort. Tried Calamus too but got a bus error #2. Tried Papyrus 5 and got an error.

Any hints? Any idea when an English version will be available?"


Robert replies:

"Sorry no. Try to ask ash by email. I«m sure they talk english.
Same as here. This demo isn«t usable well. Serial mac port also is
blocked as on any other release. Screen drawing does not work well.
Some fragments after close magic mac x.

That all tell me to wait for a final release and to wait for reports
from other users."


Keith tells Robert:

"[I] Will be sure to keep an eye on their page and get the old German
dictionary out to figure out what they're saying. What ever happened
to their English site? (or is my mind playing tricks again?)"


Robert replies:

"I don't know if they had an english page or they made an translation
of their information. Main problem of -some- developers  [:)] Only one
language available."


Usually one to answer questions, Dr. Uwe Seimet, author of HD Driver,
asks:

"I cannot get an HP 2200D printer to work with my TT and I suspect it
has something to do with the TT not having a bidirectional parallel
port. When sending data to the printer everything looks OK from the
Atari's point of view, so sending the data is possible and does not
block. The printer, however, does not print anything and the LED's
indicate it is not receiving any data.

The same printer works fine with a Linux PC, but it did not work with a
parallel printer cable that was manufactured about 10 years ago. I
needed a new, bidirectional cable to get the Linux PC working with this
printer. Can anybody explain this behaviour and whether one can do
something in order to get such a printer properly connected to a TT?"


Lyndon Amsdon tells Uwe:

"[It's a] Pity that the HP lasers are so expensive.  Cheapest I could
find was just under 450 Euros.  I've sometimes tried printing via NVDI
from Papyrus but it didn't do anything, not even the spooler appear.
TBH, I haven't played around enough as Papyrus has it's own drivers.
Not many of my applications support NVDI printers.


Uwe replies:

"Papyrus has its own drivers? I would have expected software like
Papyrus, which is quite new, to be able to use NVDI for printing.
Anyway, as long as drivers for older LaserJet models (III or 4L etc.)

are provided, this should not be an issue."

Lyndon tells Uwe:

"Well, I'm talking about Papyrus Gold (version 4) which I guess
is getting a bit dated these days?  My other apps though,
Scooter PCB and Imagecopy don't support NVDI, both those apps
have good Laserjet support.  I will try printing from NVDI
though, I remember it didn't like my accelerator being on when
printing.  This isn't due to the printer port feeding data too
fast either.  I managed to make it work if I used iPRN but don't
know how that made things work.

Are all HP lasers backwards compatible to the old Laserjets? My
inkjet has almost died (only works in 720DPI) so I decided to get
a decent laser.  I need it to work with Imagecopys and Scooters
Laserjet driver.  I'm not that keen on using the NVDI drivers,
never got them working very well."


Uwe tells Lyndon:

"As far as I can tell they are backwards compatible. This is definitely
the case for the 2200, which is quite new. HP LaserJet III drivers for
TempusWord work fine, for example. With the NVDI drivers I could not
observe any problems so far. I'm currently using one of the LaserJet 5
drivers with NVDI and the output is correct. You cannot use 1200 DPI,
however, since the drivers only support 300 or 600 DPI. The 2200
supports the latest versions of the PCL and PJL languages and detailed
documentation on these languages is readily available in the Internet,
BTW."


Joseph Place asks:

"Is MultiTOS still a commercially available product?  I didn't receive it
with my Falcon (used) and would be interested in trying it out."


Martin Tarenskeen tells Joseph:

"The kernel (MiNT) is now open-source freeware and named FreeMiNT. For the
AES part of it (AES 4.x GEM.SYS) there are much better alternatives now:
XaAES (freeware) and N.AES (commercial).

Take a look at

http://www.freemint.de
http://sparemint.atari.org
http://xaaes.atari.org
http://www.woller.com

The Easymint installation package is also something to consider, I just
can't remember the URL right now. and don't forget to get the THiNG
desktop replacement."


Fred Horvat asks about problems he's having with CAB:

"Well I've not used CAB 2.7 on my TT in a few months and now when I do

a large number of Web Sites I used to hit now give me "File Not Found" in CAB.  I'm using CAB2.7 with the included IConnect and I'm running MagiC6 on my TT.  I emptied the cache and still I get the message.  One of the sites in question is www.apple.com Most of the time I can not reach this site but on the rare times I can I get the main page but can't click on any other pages like OSX or the iBook pages.  Anybody have any ideas?"


Martin Byttebier tells Fred:

"I don't have any probs to visit www.apple.com using Cab 2.8 with the MiNT-net ovl.

Are you sure your settings are still the same? What about the proxy server? Do you use one? If so do you use the right server and the right syntax?"


Kenneth Medin tells Fred:

"Works fine here. Just tested http://www.apple.com/ and surfed in to the iBook pages etc no errors whatsoever and they do not seem to rely too heavily on Javascript either.

This is with CAB but STinG. I suppose you have some DNS problems. Don't know what resources the IConnect setup has but first check if you can resolve the hostname www.apple.com to a dotted address."


Grzegorz Pawlik advises Fred:

"Try to delete whole disk (HD) cache ("Options -> Cache -> Delete"), the one that CAB stores HTML files. It might help."


Martin Tarenskeen asks for help with an english resource file for Papillon:

"Just installed an official full version of Papillon 3.04 (German). I tried to replace the RSC files with the translated english ones from D&D. But with these resources Papillon quits automatically right after the appearance of the opening screen. The strange thing is that these same RSC files worked perfectly with the Papillon 3.04 demo that I tried first.

I have already seen in my RSC editor that translated resource has one object tree more than the original German one from my full version. (50 against 49). They are not identical.

I'm lucky to be able to read German, but I prefer English. (Not because of World War 2 and I'm no soccer fanatic either. In fact most Germans are OK, especially Atarians.

What to do to make the English RSC files work with my full version Papillon 3.04 ?"


Grzegorz Pawlik tells Martin:

"That extra dialog box is to be used with Papillon 3.04 Service Pack 1. That "Service pack 1" is a Papillon extension available from ASH.

It is in fact an update for Papillon, but instead calling it 3.06
or whatever, they say it's "Papillon 3.04 Service Pack 1".
This new Papillon version makes it possible to set the color pallette
separately for each plane, using the additional dialog box from
RSC. So maybe the English RSC from D&D website works only with
the latest Papillon? As I say, there are two 3.04 versions, which
are significantly different."


Jeff Armstrong asks for help troubleshooting his TT:

"Hey everyone.  Lately I've been leaving my TT powered on a lot more.
Right now I'm trying to set it up as my web server through my cable
modem, but I've been having some troubles.

After being on for a while (as in an hour or so), MiNT really starts
to break down.  Just about everything starts causing bus errors.  This
couldn't possibly be a memory problem since it has 64 meg of TT RAM.
Memory protection is not enabled, but I don't think that should
improve things.   Also, my Minix partition really turned to crap, so
I've recreated my entire MiNT directory structure on a FAT32 drive
(any problem with this?) but that hasn't helped.

The only thing I did notice is that the TT seems to be blowing a lot
of hot air out of the power supply.  Is this possibly an overheating
problem?

The system is in a stock TT case with a Magnum 64meg memory expansion,
a GALAXY graphics card, and a ROM-port ethernet adapter.  Any thoughts
on what the problem is?

This is really starting to get me angry.  If this isn't fixed, the TT
is going into retirement."


Steve Sweet tells Jeff:

"My first port of call would be at the PSU, new PC PSU's are very cheap
these days."


Jean-Luc Ceccoli adds:

"Maybe the PSU is having problems - some dry capacitor causing +5v not
to be clean, or, more possibly, too many devices for this poor PSU.
Try with an old 250 W PC AT supply, and see if problem persists."


Steve asks Jean-Luc:

"'OLD', Why try to solve a problem with possible unreliable cures."


Jean-Luc replies:

"Just because there's almost nothing to do to plug their socket on the
TTs to MSTe's one, except unplug one single wire!
And because new ones are ATXs, which need either an adaptor to fit
the TT's socket, or to modify their connector.
And, old only means that it is not a recent ATX one, not that it

will die as soon as it will be turned on!
And it was only to allow (sorry, I forgot his name) to test if it
was really the PSU without having to waste money."


Jeff asks Jean-Luc:

"This could actually cause system failures?  I'm surprised, that's all.
Ok, then does the TT just accept a standard AT power supply?  I can't
seem to remember.  This sounds like it's going to be quite a project
just to stop these system crashes.

Has anyone had similar symptoms?"


Jean-Luc replies:

"The connectors of an old AT PSU will fit the TT's socket with little
modification. For the wires, let me see...
Well, they are the same on both connectors, except the AT's got a red
wire between yellow and orange, where TT's got empty. You'll just
have to unsocket this wire from the AT's connector, and plug both
the connectors on the TT's socket, *after* checking* that the voltage
of each colour is the same, of course!
On the one I have there, it is good, but... who knows ?"


Dave Wade asks about MiNTnet on his ST:

"I currently have my 4Meg STE networked via a Cartridge Port NE2000
adaptor, using STING and the old freeware version of CAB, GAPFTP and Newsie.
The main purpose of this was to allow the exchange of files between the ST
and my PC and as such it seems to work fairly well, but with slight niggles.

The best results to date have been using one of the CLI based FTP programs
on the ST talking to Windows/2000 FTP server. The big niggle here is that
whilst these will allow me to do an "LCD" and change directories I can't
make new directories on the ST or download a nested tree of files.

I have tried using the graphical clients on the ST and none of these seem to
work well with my aged system. The FTP client in Newsie does not seem to
like the W2k ftp server and just returns a black screen when I open a
directory. Aftp does not like my old AES and so won't work at all. MG FTP
seems to die before it gets a connection open.

The only graphical system that seems to work is to use FTP Server from
Vassilis on the STE and run a Graphical FTP on the PC which was not the way
round I wanted. So I was wondering if it would be possible to run MintNet
and the SAMBA client on such a small machine. And if it was possible where
would I look for the parts."


Adam Klobukowski tells Dave:

"It should be possible with older FreeMiNT kernels (that does not require so
much memory), but if you do not have a hard disk it will be a very hard task.

Everything you need is on http://sparemint.atari.org."

Well folks, that's it for this time around. Tune in again next week,
same time, same station, and be ready to listen to what they are saying
when...

PEOPLE ARE TALKING


                                  =~=~=~=



->In This Week's Gaming Section  - Nintendo To Focus On Games, Not Hardware
  """""""""""""""""""""""""""""""    50 Million GameCubes By 2005?!
                                     Xbox Security Hacked!  Xbox Ad Banned!
                                     And much more!



                                  =~=~=~=



->A-ONE's Game Console Industry News  -  The Latest Gaming News!
  """"""""""""""""""""""""""""""""""""



                 MIT Grad Student Hacks Into Xbox Security System


A graduate student at the Massachusetts Institute of Technology has found a
way to circumvent the security system for Microsoft Corp.'s Xbox video game
console, opening the way for hackers to use it to run competing software,
according to documents released over the weekend.

The MIT computer expert, who posted his report on his university Web site,
also questioned the security behind Microsoft's soon-to-launch online
service, Xbox Live, saying hackers could exploit a flaw in the system to
identify individual players from their game machines.

Andrew Huang, who recently completed a PhD thesis on supercomputer
architecture, wrote a memo May 26 describing his efforts to build hardware
that would read the Xbox's internal security system. A link to the 15-page
report was posted this weekend at technology news and discussion Web site
Slashdot.org (http:/www.slashdot.org).

Computer enthusiasts have been excited about the possibility of using the
$199 Xbox, which is technologically similar to a PC, as a stand-alone
computer running operating systems like Linux.

Some see it as the ultimate slight against Microsoft -- using the software
giant's own hardware to run software that competes against its Windows
operating system.

In the memo, Huang said the Xbox's primary security is contained in what he
calls a "secret boot block" that is encoded into a media processor chip
built for the Xbox by Nvidia Corp.

Representatives of Microsoft and Nvidia were not immediately available for comment. An MIT spokesman told Reuters the university has not been received any request to take the paper down from its sites.

Huang said he had extracted the contents of the boot block by tapping the data path that travels between the media chip and the central processor.

By attaching a custom-designed board to that high-speed data path, Huang was able to capture the data transmitted between the two chips and manually process it to uncover the secrets contained in the "boot block."

He said it took a total of three weeks to build his custom board for a total cost of around $50.

Given the particular encryption algorithm that was used and the decryption key, both of which Huang has identified, "one can run original code on the Xbox," he said, meaning it would be possible to run things like unauthorized games and other operating systems on the console.

Huang also said he had discovered a vulnerability in the console's programming, that would allow the boot-up sequence to be interrupted so that any code can be run on the system.

In an e-mail to Reuters, Huang said he notified Microsoft in advance he would be publishing the paper, gave them a copy to read, and has been in regular contact with the company. He also said he is not working on any of the attempts to run Linux or other systems on the Xbox.

"I know a lot of people are exploring the possibility now, but I personally am not spearheading any effort toward this end," he said.

Huang also said in the paper he has discovered keys to the identity of the console owner that may, in theory, be vulnerable through an online connection.

Huang said he separately discovered that the console's serial number is stored in its memory, and that the data might be readable by the central operating system. "What happens to this information when the Xbox is plugged into the Internet?" he said.


### Will Microsoft's Xbox Hit The Spot?


Don't look now, but here comes Microsoft with its boldest attempt yet to blast into your living room -- with your teen as its biggest advocate.

The software giant is pulling out all the stops to dominate a new market: online gaming via its Xbox video-game console.

The virtual playground: Xbox Live, where gamers blast bad guys, play football or solve mysteries. So far, den-dwelling personal computer users have dominated online gaming. With Xbox Live, Microsoft this fall maneuvers online gaming onto the family TV.

But that's only the opening shot. While Microsoft insists the Xbox is just a game machine -- facing a big challenge to succeed at that -- it boasts a beefy hard drive to store content and a broadband modem to speed content delivery.

Eventually, the Xbox -- or something that grows from it -- could be the gateway for music, movies and communication services streaming into homes on a variety of devices, some created by Microsoft, some by others, company observers say.

As computing power spreads from the PC throughout the home, Microsoft wants to make sure it remains at the center. "Xbox is the Trojan horse that gets them in position to become a home-entertainment hub," says Bob Sutherland, analyst at Technology Business Research. "This is all part of their long-term strategy to create a lifestyle where you end up spending more with them every month."

Xbox is by no means a sure thing.

Microsoft must elbow into a fast-growing industry dominated by entrenched competitors, Sony and Nintendo. It's also unclear how many consumers will pay to play online games. Then there is the broadband bottleneck. Only 10% of U.S. homes have the high-speed cable modems or digital subscriber lines needed to make online gaming viable.

At its price, cut to $199 last month, Xbox consoles are money losers, the company admits. Games sell consoles, and game developers create games for the biggest-selling consoles. For now, Sony and Nintendo own those. So Microsoft must spend big to get Xbox into the market. Profit? That's supposed to come later from hot-selling games.

"People thought they dropped the price because they were desperate, but that's hardly the case," says P.J. McNealy, analyst at Gartner. "It shows they're serious, aggressive and want to compete."

Chutzpah and deep pockets may not be enough. More often than not, Microsoft has flopped trying to break into new markets. Its WebTV Internet browser and UltimateTV digital video recorder never lived up to their hype. Recently, it had to shelve a much-ballyhooed set of Internet consumer services, code-named Hailstorm, because of market resistance.

But Microsoft's hand is being forced. It needs new revenue sources to shore up maturing software sales. The 20%-plus annual growth rate the company enjoyed through the 1990s has slowed closer to single digits. For two years, Microsoft has worked to make its software and new services accessible on any Web-enabled device. That includes TV set-top boxes, handhelds, cellphones and others.

Xbox Live, too, will stake out space in the unproven market of online gaming for the masses. But first, the Xbox console has to crack an existing market. Video console and game sales hit $9.4 billion last year, surpassing Hollywood's U.S. box office receipts of $8.4 billion, says research firm NPD Group.

For market leader Sony, its PlayStation consoles and games brought in 62% of the consumer electronic and media giant's operating profit last year. Nintendo's GameCube and GameBoy systems, aimed at younger gamers, are also big profit centers.

So Microsoft has begun a five-year, $2 billion investment -- roughly half of what it spends each year on research and development -- to saturate households worldwide with Xboxes and popularize Xbox Live. Not to be overrun, Sony and Nintendo are battling back with price cuts and fall launches of online gaming services of their own.

Neither is going as far as Microsoft. "We really don't know how big a segment it might become," says Peter MacDougall, executive vice president of sales and marketing for Nintendo of America.

Microsoft, though, is thinking big. It has to. Xbox is more than just another revenue source. It is a rudimentary model of what Microsoft hopes its core operations look like in the future.

At first, online gamers will pay a one-time fee of $49.95. For that, they'll get 12 months of access to Microsoft's gaming network, Xbox Live, where they'll compete with gamers worldwide. They'll get a unique identity. They'll talk to other players via headsets using speech-recognition software from Fonix of Salt Lake City.

Microsoft will manage the network and provide services, such as matching gamers of comparable skills. After the first year, Microsoft will begin charging about $10 a month.

Sound familiar? It's a microcosm of Microsoft's dot-Net strategy, upon which it's staking much of its future. With dot-Net, Microsoft supplies the platform on which Web transactions take place. It delivers some services and collects fees along the way. It also is working on technologies to help others make money using the dot-Net platform, from audio and video streaming to tools enabling the tracking and charging of digital content.

"As Microsoft rolls out other initiatives, it could use Xbox, or an Xbox-like device, to connect them together in the home, and it all flows from there," says Matt Rosoff, analyst at research firm Directions on Microsoft. "That's the vision for five to 10 years out."

Meanwhile, Xbox Senior Vice President Robbie Bach evangelizes something out of reach of Sony and Nintendo: an Xbox ecology enriching all who participate. He's selling game developers, Internet service providers and telecoms on a vision of steady monthly fees from a fresh source.

One blue-sky example Bach cites is a data-mining service that feeds sports statistics in real time to gamers playing in an online fantasy sports league. Everyone involved benefits from new sales. How, or if, Microsoft would share fees is a big question.

But while Bach exudes optimism, analysts and competitors say Xbox, which has met with disappointing sales in Europe and Japan, and Xbox Live, which is unproven, are fraught with more booby traps than any shoot-em-up video game, including:

*    Tough competition. PlayStation2, introduced 18 months before Xbox, is in 11 million U.S. homes and 30 million worldwide. Xbox is in less than 4 million. The Playstation2 has twice as many games, including dozens that are exclusive to it.

Because games sell consoles, Microsoft is against the wall in winning over game developers. Sony is doing everything it can to widen the gap and push Xbox into a downward spiral of shrinking developer support and declining console demand.

"We're driving the market," says Kazuo Hirai, president of Sony Computer Entertainment America. "We have a bigger installed base and the content to back it up."

*    Developer hesitancy. Microsoft needs to attract the best and brightest gamemakers to create compelling Xbox Live games.

But its reputation for grabbing the juiciest piece of whatever business it gets into has some game developers worried that Microsoft might later steer consumers to competing Microsoft versions of hit online games.

"A lot of publishers are going to be hesitant to enter a relationship with Microsoft because... you're playing purely on Microsoft's turf," says Michael Gartenberg at Jupiter Media Metrix.

Game publisher Electronic Arts caused a stir at last month's Electronic Entertainment Expo by saying it would develop online games for PlayStation2, but not for Xbox Live. "We have to get to a point where what (Microsoft) has in mind is compatible with what we have in mind," says Electronics Arts CEO Larry Probst.

*    Steep learning curve. Akin to the movie business, one hit video game can carry dozens of weak titles. The recipe for hits is elusive. Microsoft's approach has been to provide game developers with heftier, more versatile hardware. But no one has come up with a dramatically different Xbox game.

Of the 10 best-selling video games, Microsoft has only one: Halo, ranked 9th. Sony has six, including the top seller, Grand Theft Auto 3, says NPD FunWorld.

Sony heads into Christmas with sequels to blockbusters, hoping to relegate Xbox to the same spot Microsoft once pushed PC rival Apple -- not enough boxes in use to justify much developer support.

Security is also an issue. A graduate student at the Massachusetts Institute of Technology recently warned that hackers could possibly exploit a security flaw in Xbox Live that would identify players from their game machines. Microsoft says it "maintains an evolving high-end security system to protect its intellectual property and we see this incident as posing no threat to our customers or to our partners."

Suppliers and competitors are watching to see if Microsoft meets its U.S. sales targets of 3.5 million to 4 million Xboxes sold by July, and 9 million to 11 million by June 2003.

Microsoft is hustling to make the numbers. Advertising tie-ins with Pepsi, Zumiez clothing stores and top rock groups will portray Xbox as part of the pop culture mainstream. Viral marketing via trade magazines and Internet chat rooms will intensify among hard-core gamers.

Jupiter analyst Gartenberg contends that if Bach hits the sales targets and converts half of all Xbox owners into online gamers, "he will have knocked it out of the park for Microsoft."

Bach is swinging for the fences. His five-year target: 10 million Xbox Live subscribers -- at $10 a month per player, a very Microsoft-like $1.2 billion-a-year cash cow.

"We really think we can drive the business for everybody," he says. "It will be good for ISPs, good for broadband companies, good for gamers, good for game publishers and good for ourselves."

Nintendo President Focuses on Games


Nintendo Co. plans to expand its share of the video game market by focusing on making better games rather than on building increasingly powerful game players, its new president said Thursday.

The Kyoto-based game maker that brought the world Pokemon and Super Mario must take a new and distinctive approach as an entertainment company to compete with rivals Sony Corp. and Microsoft Corp., said Satoru Iwata, who took his post last week.

"We can't be optimistic about the game market. No matter what great product you come up with, people get bored," he said, referring to game players at a meeting with analysts at a Tokyo hotel. "I feel like a chef cooking for a king who's full."

Sony's PlayStation 2 machine has been leading the pack with 30 million sold worldwide in the three-way game war that also includes the Nintendo GameCube and Microsoft Xbox.

Nintendo has shipped about 4 million GameCube machines, while Microsoft is expecting to ship 3.5 million to 4 million Xbox consoles by the end of June. All three makers have slashed machine prices recently to woo game fans around the world.

Iwata, a 42-year-old game software developer who joined Nintendo two years ago, said selling a game console is totally different from selling, say, a washing machine.

People won't imagine buying another washing machine unless it breaks down, he said. But Nintendo wants to make great games so even people who own a Sony PlayStation 2 will go out and get GameCube.

Although Iwata declined to give details of what Nintendo has in the works, he gave one example of where his company hopes to differ: It won't pursue online games, judging them as still too limited in appeal.

Nintendo is also planning more games that link the Game Boy Advance, the company's hit portable machine, with GameCube. It will exploit its lineup of exclusive games like Mario and Zelda, while working more with outside game developers.

"The element of surprise is critical. But delivering surprise is becoming extremely difficult," said Hiroshi Yamauchi, Iwata's predecessor who built his tiny card-maker into a global video-game giant. "Game developers are running out of ideas."

Yamauchi, 74, who is stepping down after five decades at the company's helm, said that developing games has grown too time-consuming and expensive. Nintendo hopes to come up with profitable games more quickly without compromising on their appeal, he said.

In the latest fiscal year ended in March, Nintendo posted a profit of 106 billion yen ($849 million), up 10 percent from the previous year, on a 20 percent rise in sales.

While scoffing at the focus on machine sales, Iwata said he remains

determined to sell GameCube, targeting 50 million in worldwide sales by March 2005.

"The effort to produce machines with better technology has reached its limit," Iwata said. "If things continue, they may lead to the decline of the entire game industry."

Nintendo Sees 50 Million GameCube Sales by 2005

Japanese video game giant Nintendo Co Ltd said on Thursday it aimed to sell 50 million of its GameCube game consoles globally by March 2005.

It still has a long way to go, however, to catch Sony Corp's PlayStation 2, the dominant home video game platform worldwide with more than 30 million units shipped since its debut in March 2000.

Nintendo launched the GameCube last September and has set a shipment target of 12 million units for the business year that started in April, compared with Sony's target of 20 million PlayStation 2s.

President Satoru Iwata reiterated Nintendo's strategy of appealing to consumers with innovative games, rather than trying to build ambitious entertainment platforms like Sony's PlayStation 2 and Microsoft Corp's Xbox.

"We're reaching the limits of how far we can appeal to consumers by boosting the machines' performance or providing more compelling graphics and sound," Iwata told an analysts' meeting.

"For the past few years we've been looking for new ways to surprise people, new ways for them to have fun."

Sony, Nintendo and Microsoft all announced hefty price cuts last month for their cutting-edge consoles, aiming to expand their customer base as they jostle for the fat profits to be earned from software sales.

Iwata expressed concern, however, that the price-cutting fever in hardware may spread to software, where it could do severe damage to game makers' bottom lines.

"We have a sense of crisis, that price cuts in software could destroy the game industry," he said.

He also defended the company's policy of maintaining a huge hoard of cash rather than investing it in new businesses or elsewhere.

"We have 900 billion yen ($7.25 billion) but one of our rivals, Microsoft, has five trillion yen," he said.

"This is a high-risk business...There may come a time when we would have to make intensive investments."

Nintendo's shares ended 0.58 percent lower at 17,100 yen on Thursday, in line with a 0.76 percent drop in the benchmark Nikkei average .

They fell as far as 16,710 yen in the afternoon, their lowest since last September, and have shed more than a quarter of their value since the

start of the year, due in part to worries about price competition.
($1=124.15 Yen)


                    U.K. Unplugs "Shocking" Xbox Ads


Regulators in the United Kingdom have given the thumbs-down to a Microsoft
advertisement for the Xbox console that has offended some viewers.

The Independent Television Commission has slammed the ad as "shocking" and
banned the commercial from U.K. television.

The ad begins with a newborn child flying through a window before aging
decades in seconds--then crashing and screaming into a grave as an elderly
man. It was designed to illustrate the phrase: "Life is short. Play more."

The ITC, which has the power to ban ads that it considers unsuitable to be
shown onscreen, said it received 136 complaints about the Xbox ad.

The Guardian Unlimited Web site reports that the ITC has also expressed
its displeasure to the Broadcast Advertising Clearance Center, which had
approved the Xbox ad.

In its ruling, published this week, the ITC said that "the man's screams
throughout his life's journey suggested a traumatic experience, which,
together with the reminder that life is short, made the final scene more
shocking."

Microsoft issued a statement in response to the ITC's ruling, apologizing
to anyone who was offended or upset by the ad.

The company is expected to continue showing the ad in cinemas, however,
which are not regulated by the ITC.

The ad can be viewed on the Playmore.com Web site, which includes a
warning about its "potentially shocking and disturbing nature."



                              =~=~=~=


->A-ONE Gaming Online        -        Online Users Growl & Purr!
  """"""""""""""""""""""



                        Jagfest 2002 News


                 Jagfest 2002 Goes to New Dimensions

For Immediate Release:

June 1st, 2002

(St. Louis, MO.)-- In what could be considered an unprecedented move, the

organizers of The Sixth Annual Atari Jaguar Festival have decided to
broaden the scope of the event by showcasing not only the Atari Jaguar, but
classic and next generation systems. Adding to this, Jagfest 2k2 will also
provide an avenue for creators of "homebrew" software to show their
creations to the world. Last years Jagfest in Milwaukee, Wisconsin set the
stage by allowing non Atari systems to have a limited presence. This year
that idea will be taken further by making their inclusion official.

James Garvin, owner of OMC Games and a principal organizer of this year's
Jagfest, states: "Jagfest symbolizes what can happen when a group of gamers
actually care about their games, and it has survived this long because of
dedication from its community. Our goal is to insure that Jagfest will
survive for years to come, and to do this the concept of what Jagfest
stands for can be expanded to include gaming in general. The "Jag" in
Jagfest won't be lost, though. It will still retain a major presence in the
show, but gamers of all types should be able to share some of the same
heritage that has kept the Jaguar alive after all of these years. This
change is just a natural progression of the show."

Daniel Iacovelli, Founder and President of The Atari Video Club and
co-organizer of this year's Jagfest also states:" The addition of old
school and next generation will add a new dimension to the event. My club
has seen the progression of this event since its start in 1997, from just
Atari Jaguar and Lynx being shown at the first event to the addition of
classic systems shown at the last year's event, it just seemed natural to
continue from that plus extending it to new dimensions".

The Sixth Annual Atari Jaguar Festival (dubbed Jagfest 2k2) is being held
in downtown St. Louis, Missouri at The Mayfair Wyndham Historic Hotel.
(806 St. Charles Street St. Louis, Missouri 63101. Phone: 314-421-2500) on
Friday, July 12th and Saturday, July 13th 2002.

For more information On Jagfest 2k2 e-mail Greg George at
greg@ataritimes.com, James Garvin at omc@omcgames.com ,Daniel Iacovelli at
atarivideoclub@yahoo.com or JT August at starsabre@worldnet.att.net visit
the Jagfest 2002 site at http://omcgames.com/jagfest

(be sure to visit the Jag fest message board and post your ideas for this
event.)


=~=~=~=


A-ONE's Headline News
The Latest in Computer Technology News
Compiled by: Dana P. Jacobson


Napster Files Bankruptcy Under Bertelsmann Deal


Napster Inc. said on Monday it filed for bankruptcy protection, as German
media giant Bertelsmann AG prepares to take over what remains of the once
dominant Internet music-swapping service.

Napster listed $7.9 million in assets and about $101 million of debts as of

April 30, according to papers filed with its voluntary Chapter 11 petition at the U.S. Bankruptcy Court in Delaware.

The filing is part of a comeback plan for three-year-old Napster, which became one of the Internet's hottest properties by allowing millions of people to swap music online for free.

Though Napster was wildly popular, attracting nearly 60 million users at its peak, the music quickly died as major record labels sued the company for music piracy. Napster, based in Redwood City, California, has been offline since July.

"It still holds a sense of promise of being a universal jukebox," said Steve Jones, who heads the communications department at the University of Illinois at Chicago. "The name Napster can be revived, but it would take more than Bertelsmann alone to do it. It requires the agreement of major (record) labels to get Napster up and running the way it was."

A federal appeals court in San Francisco dealt closely held Napster a fresh setback in March, ordering it to remain shut until it complies with an injunction to remove all copyrighted music. Napster failed to find enough backing to relaunch as a royalty-paying service.

"The extraordinary costs associated with developing the New Napster Pay Service and defending against the Prepetition Lawsuits have depleted (Napster's) available cash reserves," and could have forced Napster to close by June, Chief Financial Officer Carolyn Jensen said in a court filing.

Calls to Napster were not immediately returned.

Bertelsmann stepped in on May 17 with $8 million to buy Napster's assets. Napster owes Bertelsmann $91 million, court papers show.

Under the Bertelsmann agreement, Napster was to voluntarily seek bankruptcy protection and emerge as a wholly owned unit of Europe's second-largest media group. The agreement requires court approval. Bertelsmann declined to comment.

Napster said it is seeking approval for $5.125 million of debtor-in-possession financing from Bertelsmann, court papers show.

Konrad Hilbers, who joined Napster from Bertelsmann as chief executive in July 2001, resigned on May 14 after the company failed to find funding to relaunch its service. He returned three days later when Bertelsmann offered the buyout.

Shawn Fanning, who founded Napster as a college student in 1999, will be the company's chief technology officer.

Napster now has about 18 employees, court papers show, down from about 100 earlier this year.

Jones said that despite the appeals court ruling, "there may (still) be a limited legal means for sharing music, because we all do it without the Internet."

Napster listed The Association of Independent Music of London, which it said is owed $3.79 million, as its largest unsecured creditor, followed by the law firm of Boies, Schiller & Flexner LLP, with $2.14 million, court

papers show.

The big recording labels that were arrayed against Napster include AOL Time Warner Inc.'s Warner Music, Bertelsmann's BMG, EMI Group Plc, Sony Music and Vivendi Universal's Universal Music.

Big labels first sued Napster for copyright infringement in December 1999.


Feds Seek Better Microsoft Security


Government technology officials, tired of security holes in Microsoft's products, are discussing whether to use their collective purchasing power to force changes in the way the software giant does business.

Their efforts got a boost Tuesday when consumer activist Ralph Nader joined the cause in a letter to the White House saying that changes in purchasing policy may be more effective and palatable to the administration than antitrust sanctions.

The Bush administration gave a cool response to the four-year antitrust case against Microsoft, which it inherited from the Clinton administration, settling it last year on terms that many critics found too weak.

The government is "going to have a harder time explaining this proposal away," Nader said. "This deals with taxpayer efficiency, promoting competition without resorting to regulation, and national security."

It is a long-simmering problem among government officials, where almost every office from the smallest cubicle in Washington to aircraft carriers at sea use Microsoft's Windows operating system and its software - and are forced to install frequent security fixes.

The White House Office of Management and Budget did not respond to a message seeking comment. In an earlier interview, however, an OMB official said federal officials have discussed how to deal with Microsoft's security problems.

"We haven't gone to them as a united front yet. That's one of the options," White House Information Technology chief Mark Forman said late last year. "This is actually much bigger than just Microsoft."

Since then, the government's top computer officials have said they have been too busy with other computer security issues to confront Microsoft about the problem.

Microsoft declined to discuss its conversations with the government.

"We think that if Mr. Nader took a close look at the software industry he would find that no one delivers more technology at affordable prices to empower consumers worldwide," company spokeswoman Ginny Terzano said in a statement.

While Nader's proposal also deals with ways to control Microsoft's power, federal officials are focused on security holes.

"All of us rely on Microsoft to a greater or lesser extent, and we all wish Microsoft did a better job on security," said David B. Nelson, head

of computer security at NASA.

Most commercial products are made for business and consumer customers, Nelson said, and the growing number of software gadgets added into Microsoft products is a headache for federal computer buyers.

"They come with all kinds of bells and whistles and every bell is a vulnerability," he said.

Microsoft has taken some of the concerns to heart. After being embarrassed on an almost regular basis by security flaws in its products - including a debilitating problem found in its latest Windows XP operating system just days after its release - it began a companywide training program on security issues earlier this year.

Open-source operating systems like Linux, which makes its software blueprints free to the public for inspection and changes, have made some headway in the government for use on large servers that store software and Web sites.

A recent study completed for the Pentagon by Mitre Corp. recommended further use of open-source computing systems on the grounds that they are less vulnerable to computer attacks and far cheaper.

Microsoft, which does not widely distribute its source codes, disputes that conclusion.

The Nader letter, also signed by James Love of the Nader-founded Consumer Project on Technology, suggests the government should place limits on the number of Microsoft products it buys, dividing the federal pot among Microsoft, Apple, IBM and other companies.

Decades ago, government computers ran proprietary, often outdated, software. While Microsoft's ubiquity increases the possibility of viruses, officials have said it also ensures that workers in different agencies will be able to share files among themselves and with others.

The letter suggests the government could push Microsoft to make changes, using that market share limit as leverage. Many of the changes - such as more technical disclosure and making its products available on competing operating systems - mirror those suggested during the antitrust case and championed by the nine states still suing Microsoft.


Microsoft Polishes Office for Apple


Microsoft plans to release on Monday the first significant update to the Mac OS X version of Office and will also introduce a version of its instant messaging program designed for the latest Mac operating system.

As previously reported, Service Release 1 for Office v. X is a free download that offers more than 1,000 tweaks, bug fixes and performance enhancements. Among the more noticeable changes are improvements to the way text appears on the screen and tweaks that let Office communicate with the server version of Apple Computer's FileMaker database software.

The software giant is also releasing MSN Messenger 3.0, the first version of Microsoft's instant messaging program to fully take advantage of OS X.

In addition to being adjusted for OS X, the new Messenger adds the ability to transfer files.

Software that will allow a Palm handheld to synchronize directly with Office will be made available as a free download July 15.

As Microsoft promised at an April event, the company is focusing its development efforts for the Mac on OS X products. The new version of Messenger, for example, will only run on that operating system.

Although Apple CEO Steve Jobs has encouraged developers to consider OS 9 dead, only about 1.5 million to 2 million of the 25 million Macs in use are running OS X, at least temporarily narrowing the market for Microsoft's Mac products.

A five-year deal that required Microsoft to develop Internet Explorer and Office for the Mac is coming to a close this summer. Microsoft has reaffirmed its commitment to the Mac but has said it will focus largely on those two products and will only commit to new development of one OS version at a time.

"We'll continue this business as long as the business case makes sense," Kevin Browne, head of Microsoft's Macintosh business unit, said at the April event.

Microsoft has not said exactly when the next major version of Office will debut, but the company has said it is on schedule to release new versions within 18 months to 24 months after a new incarnation of the Mac OS debuts. Microsoft started selling Office v. X last November.

One key feature that is not in the Office update is the ability for Office to talk directly to a Microsoft Exchange server. Because the Entourage e-mail and calendaring program in Microsoft Office v. X does not talk directly to the Exchange server, Mac owners can get e-mail but can't manage tasks such as group calendaring.

Browne has said that Microsoft is still trying to decide how it wants to tackle that issue.

The service release also offers less noticeable changes such as faster scrolling, improved printing, and better performance when making charts in PowerPoint. Both the Office X service release and the new version of Messenger are scheduled to be made available Monday on the Mac section of Microsoft's Web site.


Mozilla 1.0 - It's Alive!


More than four years after the launch of the Mozilla.org open-source project, Mozilla 1.0 is ready to browse.

The group released the software on the Web for download Wednesday.

Mozilla 1.0 isn't the first browser to market based on Mozilla code. Netscape Communications, a unit of AOL Time Warner, released Netscape 6.0 in November 2000. That release was largely judged to have been premature.

Perhaps because of the negative reaction to that first release of the

Mozilla code, and because Mozilla 1.0 is targeted at software developers, the organization added months and years to the development process.

"Mozilla 1.0 will be compared against the latest generations of commercial browsers, so Mozilla spent the time necessary to make sure this release would indeed be ready for prime time," said a representative for Netscape, which created the project when it opened up its source code in 1998. Since then, Mozilla has operated autonomously.

Mozilla has long claimed support for open standards as a core part of its mission. With Wednesday's release, Gecko supports World Wide Web Consortium recommendations including HTML 4.0, XML 1.0, the Resource Description Framework (RDF), Cascading Style Sheets level 1 (CSS1), and the Document Object Model level 1 (DOM1). Mozilla 1.0 also offers partial support for Cascading Style Sheets level 2 (CSS2), the Document Object Model level 2 (DOM2), and XHTML.

Other standards supported by Gecko include SOAP 1.1, XSLT, XPath 1.0, FIXptr and MathML.

"Mozilla.org is excited about releasing the Mozilla 1.0 code and development tools to the open-source community, and providing developers with the resources they need to freely create and view the presentation of their content and data on the Web," Mitchell Baker, whose title at Mozilla.org is Chief Lizard Wrangler, said in a statement. "As more and more programmers and companies are embracing Mozilla as a strategic technology, Mozilla 1.0 signals the advent of even further dissemination and adoption of open-source and standards-based software across the Web."

The Mozilla movement was established in 1998 by then-independent Netscape, which charged the open-source project with creating a compelling Web-browsing technology. At the time, Netscape was battling Microsoft bitterly over market share. It took the risky step of publicly releasing the software code for its Communicator browser, aiming to win over developers to help fight its adversary.

In an attempt to stem the increasing dominance of Microsoft's Internet Explorer browser, Mozilla designed Gecko--the core browsing engine of Mozilla browsers--to be used in third-party applications.

Predictions of a Mozilla revolution proved unrealistic, as the project was marred by squabbling, false starts and, most importantly, Microsoft's breakaway victory in the contest for browser dominance.

In all, it took more than two-and-a-half years for Netscape to release its first browser product using Mozilla technology, Netscape 6. Developers unanimously criticized Netscape 6 as an unfinished, bug-prone beta release. Future versions of Netscape 6 have corrected most of the browser's initial problems.

The Mozilla browser's delays were exacerbated after AOL acquired Netscape in 1999. Although AOL continued to support Mozilla as the foundation for future versions of Communicator, many developers questioned the Internet company's commitment to the browser effort.

Now some of those doubts are lifting, as AOL Time Warner is testing Mozilla technology in versions of its America Online and other software, a move that could see Microsoft's Internet Explorer ousted as the default browser for some 35 million Web surfers. The test, or beta, version of Netscape 7.0, Netscape's consumer-oriented browser released last month, is

based on the same code as Mozilla 1.0.

AOL Time Warner unit CompuServe also is using Gecko-based Netscape in its CompuServe 7.0 application. Other companies implementing Gecko include Intel, Red Hat, OEone, Nokia,Tuxia and WorldGate Communications, which uses the technology in its forthcoming set-top boxes.

AOL's browser shift, coupled with the release of Mozilla 1.0, has prompted speculation about the prospects of a renewed browser battle with Microsoft, whose Internet Explorer now dominates the Web. AOL Time Warner has also filed a civil suit on behalf of Netscape, which AOL acquired in 1999, that alleges Microsoft engaged in illegal practices.

In fact, the biggest effect of the Mozilla 1.0 release may be beyond the browser.

Broadly, Mozilla is a programming tool for building applications that run on almost any operating system. While developers initially concentrated on building a browser, the underlying technology can be used to create many types of applications. Some developers have already branched into making Mozilla instant messaging software, media players and other applications.

"Mozilla 1.0 is no watershed event in browser evolution, but (it) could become a significant entrant should the embedded browser market become more viable," said independent New York technology analyst Ross Rubin. "The 1.0 designation may signify some extra stability with traditional software users, but savvy users understand that it's kind of an arbitrary designation as the software develops. And most Mozilla users know what they're getting."


Rivals Eating Into AOL's IM Pie


AOL Time Warner runs two of the world's largest instant messaging services, but it may be in danger of squandering its lead in the race to sell this hot Internet technology to corporations.

Although consumers have flocked to instant messaging by the millions, business customers have remained wary; some have even banned it over security concerns. Still, companies represent one of the most lucrative markets for the technology. Most consumer services are offered for free, but corporations appear willing to pay for IM services that offer the ability to encrypt messages and authenticate the identity of its users, among other things.

AOL plans to release a corporate version of its AOL Instant Messenger (AIM) product, dubbed "Enterprise AIM," by summer. Like Microsoft and Yahoo--AOL's chief rivals in the consumer IM market--it will face competitors that have already established deep beachheads on the corporate field.

"AOL unintentionally has spawned the business IM solution market by more or less taking their sweet time to provide security features in AIM," said James Kobielus, an analyst with research firm Burton Group.

Although AOL, Microsoft and Yahoo have signed millions of subscribers to their instant messengers, the battle has focused primarily on consumer services until now, leaving all of them to play catch-up in the business

arena.

Few upstarts have made significant inroads to challenge these three major IM services for consumers. But an army of newcomers is stealing the march in offering instant messaging to corporations, where unauthorized IM use is running rampant--frequently without adequate security safeguards.

This week another start-up stepped into the corporate IM void, promising the ability to communicate with various proprietary IM systems. Based in New York City and funded to the tune of $20 million by Beverly Hills, Calif.-based Lexington Ventures and others, Omnipod will officially launch its corporate-grade messaging and file-sharing product with 12 beta, or trial, customers, the largest of which has tens of thousands of seats, according to Omnipod.

In addition to creating a niche for newcomers, the business market is already leading to paid IM services, an area that AOL, Microsoft and Yahoo have left aside for now.

While AOL has no plans to begin charging for its consumer instant messenger anytime soon, it is taking steps to counter corporate challengers with the encrypted Enterprise AIM system, which it announced last month in a partnership with VeriSign.

AOL isn't alone in falling behind the corporate IM curve: Yahoo currently offers no corporate IM solution, but a company representative said, "We think that corporate messaging is very interesting, and we're evaluating it closely."

The corporate market could signal a reversal of fortune for AOL in instant messaging, an area it has dominated since it acquired instant messenger ICQ in 1998. AOL claims 150 million screen names for AIM, plus more than 130 million screen names for ICQ.

Designed for the consumer, AOL communications applications often have been met with hostility in the workplace. Even at AOL Time Warner, AOL-designed e-mail proved so unwieldy in a corporate setting that the company rescinded a rule mandating its use.

Meanwhile, the amount of time people spend chatting on instant messengers at work is ballooning. People in 82 percent of all organizations are using some sort of IM application, with 70 percent of those using AIM, according to a report issued by Osterman Research this year. Microsoft's MSN Messenger is a distant second with 51 percent, and Yahoo Messenger third with 44 percent.

But those numbers account for both official and unofficial IM use. As companies begin to create standards for corporate-grade software, AIM's lead could deteriorate to the benefit of the corporate IM crowd. According to Osterman, IM use is official in only 34 percent of large organizations, 23 percent of medium-sized organizations, and 19 percent of small organizations; a full 23 percent of organizations surveyed blocked IM traffic at the firewall. Among organizations that use instant messaging in an official capacity, Lotus Sametime captures 69 percent of the market, the research firm found.

Burton's Kobielus called AOL's VeriSign deal "too little, too late. Even if it provides tight encryption, it's not an enterprise-hostable solution. The business-grade market has opened up."

Despite the early perception that AOL ruled the IM market, companies have carved out various IM niches inside and out of the business world.

One company, Communicator, markets HubIM specifically for use by financial services firms. Customers include Credit Suisse First Boston, Goldman Sachs, J.P. Morgan, Lehman Brothers, Merrill Lynch, Morgan Stanley and Salomon Smith Barney.

"It's quite a boost in IM's perceived business value when Wall Street gets behind it," said Kobielus, who added that several financial firms have banned traditional, unencrypted IM applications in the workplace.

When Enterprise AIM hits the market, it will face scores of competitors, mostly small companies, offering secure instant messaging among an array of other tools. These include e-mail, file transfers, conferences, message broadcasts, and message archiving and security. These last two features are of increasing importance to financial services companies, which are in many cases required by the Securities and Exchange Commission (news - web sites) to log all instant messages.

Other corporate IM competitors include Jabber, Mercury Prime, QuickSilver, 2Way, Ikimbo, Ezenia, NetLert, ACD Systems, Bantu, and Comverse's Odigo unit, acquired last week.

In the coming months, AOL will likely face tougher competition for the corporate IM market from bigger guns as well.

Lotus Development, a unit of IBM, was early to the corporate IM game with its introduction of the Sametime application in December 1998. Microsoft's Exchange software features IM software, and Novell markets a corporate IM application based on AIM called InstantMe. Ericsson, in conjunction with Oz, marketed until recently a secure wireless IM product called iPulse. Ericsson has since scrapped that project in favor of the Wireless Village, or Mobile Instant Messaging and Presence Initiative, with Motorola and Nokia for promoting interoperability between mobile IM systems.

"Somebody is going to be the powerhouse of corporate IM," Kobielus predicted. "It's going to consolidate down to two or three providers, probably Lotus or Microsoft because they already have the groupware market locked up."

AOL is working to insert itself into this market, making its system interoperable at the server level with corporate IM applications marketed by Sun Microsystems and Lotus.

Despite the proliferation of IM services, few will likely survive, Kobielus predicted.

"There are going to be a lot of casualties," he said.


Why Do AOL Customers Stay?


Last month MSN fired the latest salvo in its war against AOL, unveiling yet another campaign to steal AOL's customers. Among other lures, MSN is offering a less expensive monthly rate and an interim mailbox so customers can smoothly make the transition.

The announcement set off the usual speculation as to whether MSN would finally put a dent in AOL's customer base and whether the latest tactics would mark the beginning of the end to AOL's reign.

For many, the question is not if MSN will take over, but when AOL's customers will start to leave. It's no secret that AOL has the dubious distinction of routinely ranking last or next-to-last in any number of third-party customer-satisfaction surveys of ISPs.

The most recent results came from an investment and research firm, which reported that 40 percent of its AOL-using clients were dissatisfied with its service.

Another survey, the quarterly American Customer Satisfaction Index (ACSI), found that AOL posted -- again -- the lowest mark among e-commerce companies. "AOL's score is representative of a common struggle among portal companies -- not quite knowing what to give customers who still do not know exactly what they want from portals (news - web sites)," a spokesperson from one of the companies that administrated the survey, said.

That might be one explanation, but it is by no means the only one.

The main complaints about AOL tend to be about the quality of Web service it provides: connections that too often crash and slow upload and download rates.

Many resent AOL's US$23.90 monthly fee. Then there is AOL's refusal to open its proprietary IM program to users of other messaging systems.

And the company's customer service hasn't exactly been lauded by its users either. Indeed, several Web sites have sprung up for the sole purpose of grousing about AOL.

Paradoxically, AOL continues to keep its customer base.

Some AOL customers remain happy with the service. These users tend to be mainstream, not as quick to adopt new technology.

They don't go online as often and perhaps use the service just for e-mail or other relatively simple transactions. In fact, AOL has marketed itself specifically to attract this segment of the online population.

Some people -- 8 percent, according to the investment firm's survey -- stay with AOL because they like the content. Others, mainly teenagers with a propensity to pepper their talk with four-letter words, are married to the chat groups.

And there are those who have signed up on with AOL's broadband service, bypassing a lot of the problems with the dial-up service.

But then there are the rest of AOL's users -- a distinctly unhappy group. Why do they continue to hang on?

I know why I do. Yes, I am somewhat embarrassed to admit I have been an AOL user since the mid-1990s.

I started using it because I used to do a lot of international travel and AOL was the most reliable -- and ubiquitous -- ISP outside the United States at that time. I stayed with it because it was just too much trouble

to switch to another ISP and lose my e-mail address.

And I suspect that is ultimately the reason why most people stay with AOL. Despite AOL's many annoyances, switching to a different ISP would be even more problematic.

But I have to wonder how long AOL can coast on customer inertia. I always figured I would stay with AOL until the bitter end. While friends and family are easy enough to convert to another ISP, unfortunately, I have handed out my AOL e-mail address to just about every work-related contact I've made over the past decade. I can't let it go.

But that's not the case with most of its users. AOL has shown little sign of providing better service or customer care -- at least from my perspective. Wholesale defections are a distinct possibility, especially now that MSN is giving AOL a serious run for its customers.

The other morning I went into my home office to discover my cable modem had gone out, something that occasionally happens. I braced myself for what would no doubt be a trying ordeal -- using AOL's dial-up service to meet my daily deadlines.

Indeed, AOL sunk below my lowest expectations. In fact, it took me several hours to access MSN's Web page to see how, exactly, that interim mailbox worked.

And if I -- a relatively committed AOL user -- am seriously thinking about switching, that is a sure sign AOL is in deep trouble.

## Microsoft To Charge For E-mail Forwarding

Microsoft's MSN said Wednesday that Hotmail users who want to retrieve e-mail from outside accounts through the service will have to pay up starting July 16.

In an e-mail notice to Hotmail users, MSN announced that for $19.95 a year, MSN Extra Storage would allow them to continue to use POP Mail Retrieval. The POP service allows customers to access various e-mail accounts through one Hotmail account.

In addition, the paid service provides 10MB of Hotmail storage, allowing people to send and receive larger attachments, and ensures that unused accounts will not expire. Hotmail requires its free users to log on every 30 days to keep an account active.

"Those people who are already paying for MSN Extra Storage will not have any increase in fees," said Parul Shah, product manager for MSN. "With 110 million Hotmail users, MSN needs to drive revenue to support the resources that it takes to provide free services."

This move is yet another sign that the free Internet ride is over. The Hotmail announcement is just the latest in a series of companies beginning to charge for Internet services that were once free. Last month, Yahoo implemented fees for checking e-mail outside of its services and storing some data through Yahoo Photos and Briefcase.

Hotmail users recently have seen some folders cleaned out and some e-mail

messages returned to the sender as MSN attempts to convince heavy e-mail users to upgrade to the increased storage offered in the premium version of Hotmail.

Separately Wednesday, MSN launched MSN Shopping Alerts, which lets consumers know about sales on certain e-commerce sites. This service is free, but Microsoft says it will eventually charge a fee for it.

### eBay Touts Anti-fraud Software's Might

eBay Chief Executive Meg Whitman told shareholders at the company's annual meeting here Wednesday that new software was helping the popular auction site make "major strides" in reducing fraud.

The company began testing an internally developed application called the Fraud Automated Detection Engine (FADE) about six months ago, and it has been live for roughly two months. The software collects data from defrauded customers, tracks it in a central database, and then predicts which new sellers are likely to be illegitimate.

eBay executives would not say how many potentially fraudulent sales it has halted. But Whitman said the technology has already helped eBay reduce its fraudulent sales rate, which she said is at less than one-tenth of 1 percent. Whitman said the software's ability to spot criminals will get better as the database of fraudulent sales grows.

Whitman joked that a "low-cost computer reseller with a home domicile of Romania" would likely raise red flags. eBay's fraud detectors at the company's headquarters here could then monitor the seller, tip off police or the post office, and ultimately save consumers money and annoyance.

eBay spokesman Kevin Pursglove emphasized that FADE would not automatically bar sellers based exclusively on their geography, merchandise category or other demographic information.

"We know we've got to be careful," Pursglove said after the 45-minute shareholder meeting at the Silicon Valley Conference Center. "We wouldn't get into redlining or Zip code tracking or anything like that. The reality is that everyone starts at zero, with a clean record."

eBay tightly guards data about fraud and doesn't disclose lists of hot spots for fraudulent sales, Pursglove said. He also noted that, by some measurements, fraudulent sales on eBay are less than one one-hundredth of 1 percent--lower than the figure given by Whitman in her speech.

But given the fact that eBay has 9 million items for sale on any given day and will likely process $13 billion in gross merchandise sales in 2002, small percentages could add up to thousands of dollars wasted on hundreds of fraudulent transactions each day. The company has been working hard to clean up fraud, forging closer ties with police officials, the U.S. Postal Service, international delivery services and authorities abroad.

Anecdotal evidence suggests that a disproportionate percentage of fraud happens from sales that originate from sellers in Eastern Europe. Pursglove also said that higher-priced items, such as computers and other electronics goods, have a higher rate of fraud than collectibles such as Pez dispensers and Beanie Babies. Technology products, ranging from Sun

Microsystems servers to Dell Computer laptops and a variety of smaller electronic gadgets, constitute the largest category of goods sold on eBay.

Sports memorabilia is also a relative hotbed of fraud, usually in the form of inauthentic items being sold as genuine. eBay users in San Diego filed a class-action suit against the company in April 2000, alleging eBay was negligent in allowing forged sports memorabilia into auctions and allowing sellers who did not have a "certificate of authenticity," which is required in California. In January 2001, a judge ruled that eBay was immune to the requirement, but the members have appealed the decision.

"Sports memorabilia has had a lot of fraudulent activity for years," Pursglove said. "You can see that it just migrated from the offline world to the online world with eBay."

The fraud issue was also on shareholders' minds Wednesday. One of the few shareholders to ask a question during the open microphone session was an investor and buyer, who claimed he had a "bad experience" trying to buy an item from a seller several states away.

In other news from the meeting, eBay shareholders approved the appointment of directors Scott Cook and Robert Kagle. Cook has served on eBay's board since 1998 and is the founder of software maker Intuit. Kagle has served on eBay's board since 1997. Both were approved to serve until 2005.

Shareholders also approved changes to 1999 and 2001 equity incentive plans and ratified PricewaterhouseCoopers as the company's auditor for fiscal 2002.

eBay kicked off the morning meeting with 13 minutes of official motions, followed by a half-hour presentation and brief question-and-answer session with Whitman. But the sparsely attended event, which featured a plate of small bagels and two trays of fresh fruit,may get more heft next year.

When one shareholder inquired as to why only 40 shareholders attended the event--about half that of last year's annual meeting--Whitman said the company may boost the conference's profile next June. Whitmansaid she was impressed with the recent shareholder meeting of Seattle-based Starbucks Coffee, which attracted hundreds of investors and invited them to sample new java blends, socialize and learn more aboutthe company's business plan and products.

eBay is hosting a larger event for eBay users--shareholders as well as buyers and sellers and others interested in joining the 40-million-member eBay community, in Anaheim, Calif., June 21-23. Depending on the success of eBay Live, Whitman said, she may decide to make the next shareholder meeting "more of an event."


### Red Hat Accuses Sun of Microsoft Tactics


Last year, Red Hat CEO Matthew Szulik thought Sun Microsystems' open source-based alternative to Microsoft's widely used Office software would encourage broader use of the Linux operating system on desktops and perhaps loosen the iron grip of Windows.

But Szulik abandoned those hopes when Sun started charging for its StarOffice product and changed its way of dealing with the original

equipment manufacturers (OEMs), such as Red Hat, which can bundle it with their own offerings. Szulik accused Sun of adopting the domineering methods of mutual enemy Microsoft.

Sun, Szulik said in an interview this week, "put the price tag on it and took the Microsoft approach with the OEMs."

Mike Rogers, Sun's general manager for desktop and office-productivity software, bridles at the comparison. "Last time I checked, Microsoft didn't have Office available for $76 and didn't build in the source code," he said in an interview, adding that Sun charges companies such as Red Hat very little for StarOffice, indicating the price could be less than $10 per copy.

In the past, Sun's StarOffice was free to consumers, but the company began charging for the product with the release of version 6. With that version, Sun also started charging companies like Red Hat to bundle the product in their versions of Linux.

That's the change that had to do with Szulik's decision to drop StarOffice from Red Hat's distribution of Linux. "We think there are a variety of alternatives," he said. And that change also inspired the Microsoft comparison.

Microsoft has been known to take advantage of its dominant position with Office software. For example, large corporations formerly could buy PCs with Office bundled at a deep discount to the regular Office price. Microsoft now requires they buy Office separately, which raises the cost.

But Red Hat's strategy with its top-selling Linux product is similar to Sun's with StarOffice, said Giga Information Group analyst Stacey Quandt: Each company packages open-source components into a useful product, then sells it along with a support program.

Sun's Rogers said he'd still like to see Red Hat include StarOffice or the open-source project on which it's based, OpenOffice. Distributing OpenOffice furthers the use of StarOffice file formats and interfaces. Microsoft has successfully used file formats and interfaces to keep its Office suite dominant.

Sun and Red Hat have been allied in their dislike for Microsoft, but circumstances have changed now that Sun is eyeing Red Hat territory.

"Relations between the two companies may be strained by the fact that Sun plans to create and support its own Linux version," Quandt said.

Other Linux sellers, including SuSE and MandrakeSoft, have versions of their products that include StarOffice 6.


Kazaa Users Often Expose Personal Files


Users of the popular file-swapping program Kazaa frequently expose personal data to other network users by mislabeling the files that can be shared, according to research released by HP Labs.

The research, which was published Wednesday on Hewlett-Packard's Web site, found that a significant percentage of Kazaa users have accidentally or

unknowingly designated private files to be shared with everyone who has access to the popular Kazaa network.

"The majority of the users in our study were unable to tell what files they were sharing, and sometimes incorrectly assumed they were not sharing any files when in fact they were sharing all files on their hard drive," the researchers wrote.

The study, conducted by computer scientists Nathaniel S. Good of HP Labs and Aaron Krekelberg of the University of Minnesota, points out that peer-to-peer programs often pose a threat to computer privacy.

Those programs have been controversial in other ways as well. Sharman Networks, which owns the Kazaa software, recently came under a firestorm of criticism for linking Kazaa users, often unwittingly, into peer-to-peer activities unrelated to their own file sharing. And content owners lambaste file swapping in general for fueling massive copyright infringement.

Good and Krekelberg scripted programs to search the Kazaa network for files that store Microsoft Outlook Express e-mail, with the assumption that these would be files that no one would intentionally share on the public network.

The automatic queries occurred every 90 seconds for 12 hours and revealed 443 instances of unintentional file sharing. In that 12-hour period, 156 Kazaa users were found to have e-mail files open for public review. Sixty-one percent of the searches revealed at least one e-mail file.

In another test, researchers studied 20 distinct cases in which the Outlook mail program had been made public. Of those, 19 allowed access to other categories in the program, such as deleted items and mail sent. Nine users exposed their Web browser's cache and cookies, five exposed word processing programs, and two exposed what appeared to be financial data.

Another experiment sought to determine whether other Kazaa users were trying to exploit this vulnerability by downloading files from other people's computers. The researchers placed dummy personal files with titles such as Credit Card.xls and Inbox.dbs on a server. In a 24-hour period, the credit card file was downloaded four times by four unique visitors, and the inbox file was downloaded four times by two unique visitors.

The study said the researchers did not download any files from other Kazaa users.

The researchers blamed shortcomings in the Kazaa installation software for making it easy for people to configure their software improperly and unknowingly share private information.

Kazaa representatives were not immediately available for comment.


FBI Digs Deeper Into The Web


From the Bill Gates e-mails unveiled during the Microsoft trial to the Enron debacle, the digital trails people leave have provided stunning insight into their beliefs and habits.

Now the FBI is hoping to capture and corral more such digital detritus, from a much wider swath of the populace, in the name of fighting terrorism.

The Senate Judiciary Committee on Thursday will examine proposed Justice Department guidelines that would give federal investigators new license to mine publicly available databases and monitor Web use. The changes, which come after a major FBI shakeup last week, have sparked intense debate over the merits of expanding government surveillance powers as the country faces ongoing threats of terrorist attacks.

Backers paint the reforms as a long overdue end to restrictions that have hobbled investigators and denied them access to research tools that are available to anyone with an Internet connection. Intelligence failures in the FBI and CIA have come under the spotlight amid new questions about who knew what in advance of the Sept. 11 suicide hijackings, which left more than 3,000 people dead.

But civil liberties advocates warn that last week's proposal is the latest step along a worrying path back to the 1950s and '60s--days when investigators compiled dossiers on countless American citizens based on little more than their religious and political practices.

"I hate to be in a position of telling people 'don't go online and speak' or 'watch what you say,' but you have to take from this that on an arbitrary basis, the FBI is going to be tagging people as terrorists based on what they say online," said Jim Dempsey, deputy director of the Center for Democracy and Technology.

Since Sept. 11, Congress has enacted legislation that greatly expands law enforcement's ability to monitor communications through the so-called Patriot Act. America's allies have also sought to bolster laws aimed at aiding investigators, with the European Parliament last week approving guidelines that would force Internet companies to preserve data about their sites for possible future investigations.

Last week's FBI guidelines from Attorney General John Ashcroft and FBI Director Robert Mueller would allow field agents to gather information outside of criminal investigations, relaxing regulations set in the 1970s. Those rules, named after then-Attorney General Edward Levi, barred the FBI from attending political meetings unless it had a reasonable suspicion that a crime was being planned.

The new rules, by contrast, would authorize field agents to attend public meetings freely and request warrants with less interference from the main office. In addition, the rules would allow the FBI to monitor public Internet sites, libraries and religious institutions.

Agency supporters say the lifting of monitoring restrictions opens the gate to investigation tools that have been unaccountably denied to the FBI until now.

In an opinion piece published this week in The Wall Street Journal, L. Gordon Crovitz, Dow Jones' senior vice president of electronic publishing, said his eyes were recently opened to undue restraints on the FBI during the investigation into the death of Daniel Pearl, a Wall Street Journal reporter who was kidnapped and murdered in Pakistan this year. In following the case, employees of the paper found that the FBI was restrained from keeping information as rudimentary as news clips, he wrote.

Employees, Crovitz said, were "surprised to learn that the FBI's extraordinarily professional, highly trained agents were not given access to the kinds of online research services now common on the desks of cub reporters or junior salespeople."

Privacy advocates, however, say the Net monitoring rule creates greater possibilities than ever before for abuses because technology makes it easier to whittle down people's habits and divide them into patterns that may or may not point to terrorism. The result, they say, could be a crackdown on political dissidents and people who visit anti-American chat rooms.

For years, some people have worried that marketers would profile them in some worrisome way by tracking their Web use. The FBI's involvement could raise the stakes.

Technology ranging from data mining to surveillance cameras can be tied together to form an easily searchable database of people's religious, political and personal preferences. This enables the FBI, based on a hunch, to investigate--and possibly jail--people.

Law enforcement for the most part has always been able to get information through a third party, such as a database company or an Internet service provider, via methods including subpoenas. However, the new, relaxed guidelines would let the FBI conduct investigations in publicly available nooks of the Web even if they aren't looking at a specific suspect or crime.

"Such an approach to police authority in the United States is directly contrary to the First and Fourth Amendment and the system of checks and balances established by our form of government," a group of organizations including the American Library Association, the American Civil Liberties Union, and the Arab American Institute wrote in a letter this week to Senate Judiciary Chairman Patrick Leahy, D-Vt.

"We are also concerned that the changes authorize unchecked surveillance of lawful religious and political activity, and that such surveillance will be targeted against Arab-Americans, Muslims and immigrants among others," the letter said.

Others say the new surveillance culture is the price Americans have to pay to be safe in a post-Sept. 11 world.

"The first business of government is to protect its citizens from the kind of threats we saw on Sept. 11," said Roger Pilon, vice president for legal affairs at the Cato Institute. "Nothing in these new guidelines in any way is in violation of constitutional protections. There's nothing illegal about compiling a dossier."

Pilon compares the FBI's plan for more patrolling of public Web spaces to a beat cop walking the neighborhood.

"It has been objected that this will allow agents to monitor perfectly legal behavior--that's true," he said. "The cop working the beat observes legal behavior. The reason for walking the beat is to engage in a more proactive effort to prevent crime."

Meanwhile, those who compile databases are grappling with the plan, wondering if they're going to be forced into the role of skippers on new

FBI fishing expeditions.

Jerry Cerasale, senior vice president of government affairs for the Direct
Marketing Association, said his group is still crafting a response to the
FBI proposal.

"Our guidelines say marketing data can be used for marketing purposes
only," he said. "This is a new twist."

Cerasale said his members have long had to balance law enforcement needs
with privacy rights, but until now, the process has involved a subpoena.

"You don't just give out an address to law enforcement officials, although
the FBI would like that to happen," he said.

Furthermore, previous attempts to tie databases to crime have often failed,
underscoring the risks of relying on technology as a cop.

For example, Cerasale said that despite protests from his group, the IRS
eventually got its hands on the list of subscribers to Car and Driver
Magazine, hoping to catch tax cheats by scouring groups of people
interested in expensive cars. However, the search led to little more than
a few teenage car fans who hadn't filed taxes, Cerasale said.

The incident is cited as one more example of the limitations of technology.
And the list of failed searches for a silver cyberbullet grows longer by
the day. Some airports, for example, have removed face-recognition
technology after it failed to identify people more than half the time.

What's more, law enforcement's reliance on technology has actually tripped
up some investigations. According to internal FBI documents obtained by
the Electronic Privacy Information Council, a privacy watchdog, glitches
in the Carnivore snooping system--namely, the over-collection of
information on innocent individuals--led to the destruction of e-mails
from a subject with ties to Osama bin Laden.

But all the hand-wringing over information gathering may be for naught if
cops can't connect the dots on the data they do collect. A series of
revelations in recent weeks has shown that the FBI and CIA had gathered
data hinting or warning of the Sept. 11 attacks but failed to coordinate
and respond to the information.

In one case, investigators overlooked a memo from a Phoenix field office
warning that potential terrorists were enrolling in flight schools. In
another case, a Minneapolis agent told FBI Director Mueller that
bureaucratic bungles twahrted her investigation into the alleged 20th
hijacker, Zacarias Moussaou.

"I think the lesson of the last month or so--the revelations of the
government's handling of the bits of information it had--is that there was
not a failure at the information-gathering level," said Lee Tien, an
attorney with the Electronic Frontier Foundation (EFF). "There was a
failure of information going to the right place."

The problem is so severe that the Senate and House intelligence committees
are beginning an in-depth series of meeting into the matter this week.

That's not to say that technology can't play an important part in nabbing
suspected terrorists. Police have caught rapists and murderers by
retracing digital fotoprints as mundane as a subway card reader. FBI

agents have used the Webto  snare child pornographers and drug dealers.

And on Tuesday, FBI Director Mueller gave another nod to the tech world,
announcing te happointment ofl ongtime IBM executive Wilson Lowery a hsis
special assistant to oversee the agency's restructuring.

"He combiesn the precision and insight of a chief financial officer with
the visin oand leadership of an executive comfortable with change,
technology and logbal issues, " Mueller said in a statement about Lowery.

But the fcuos on technology still doesn't solve the basic problems, says
the EFF's Tien.

"The continual question of 'can't we do more with technology?' I think
really misses the point," Tien said. "The weakest link in our intelligence
is a lack of understanding of what's going on, on the groun. dThere is no
quick fix."


                                =~=~=~=